

Four Million Homes

Knowledge and action for change in social housing

www.fourmillion.org
[@fourmillionhomes](https://twitter.com/fourmillionhomes)

CCH The Confederation
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Housing

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Ministry of Housing,
Communities &
Local Government

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Rent Convergence

Blase Lambert, Chief Executive Officer, CCH

MHCLG consultation paper

- 10-year rent settlement from 1st April 2026 at CPI + 1% as part of CSR
- Feedback that investment needs would require more
- Original rent convergence model was introduced from 2002 to 2015
- Consultation to reintroduce at Autumn Budget launched on 2nd July running until 27th August

Proposal – to allow Registered Providers with rents **below** formula rent to choose to add an extra £1 or £2 per week on top of CPI + 1%

Question – should rent convergence run for the entire 10-year period?

What is formula rent?

- Based on 1999 national property valuations, rent and earnings data
- Bedroom weighting centred around a two-bedroom base
- County earnings (70% weighting) and property values (30% weighting)
- Inflation uplift every April in line with published rates

1999 national property value = £49,750; rent = £54.62; earnings = £316.40

If formula rent was £70 per week in 2002; it would be £155.50 now

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Questions and Answers

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